

Business Overview

Manufacturer and distributor of western foods with 3 main product categories: dairy products, food and bakery ingredients, and biscuits.

Financial Statement

| | 9M23 | 9M22 | 2022 | 2021 |
|--|------|------|------|------|
|--|------|------|------|------|

Income Statement (MB)

| | | | |
|-------------------|----------|----------|----------|
| Revenues | 4,976.87 | 4,301.86 | 6,190.79 |
| Expenses | 4,710.04 | 4,100.84 | 5,865.47 |
| Net Profit (Loss) | 164.52 | 127.20 | 241.06 |

Balance Sheet (MB)

| | | | |
|----------------------|----------|----------|----------|
| Assets | 5,574.36 | 5,010.39 | 5,539.60 |
| Liabilities | 3,059.11 | 3,541.18 | 4,356.08 |
| Shareholders' Equity | 2,515.26 | 1,469.22 | 1,183.52 |

Cash Flow (MB)

| | | | |
|-----------|---------|---------|---------|
| Operating | 515.37 | -232.93 | -325.92 |
| Investing | -377.40 | -86.95 | -124.47 |
| Financing | -76.09 | 377.58 | 475.85 |

Financial Ratio

| | | | |
|---------------|-------|-------|-------|
| EPS (Baht) | 0.38 | 0.33 | 0.62 |
| GP Margin (%) | 28.80 | 28.39 | 28.68 |
| NP Margin (%) | 3.31 | 2.96 | 3.89 |
| D/E Ratio (x) | 1.22 | 2.41 | 3.68 |
| ROE (%) | 13.97 | 12.21 | 18.03 |
| ROA (%) | 8.38 | 5.99 | 7.24 |

Business Plan

- Increase capacity expansion of butter from 18,596 to 23,261 tons p.a. in 2024.
- The Company's distribution center and warehouse KCG Logistics are expected to be partially ready for use in Q1/2024, and the whole project will be complete by Q2/2024, which will add storage space, increase product management efficiency, and significantly reduce warehouse rental costs in the future.

Sustainable Development Plan

- Reduce greenhouse gas emissions by 20% from the base year (2022) and projected sales in 2023.
- Corporate governance (CGR) score increased by 10% from the baseline.
- Reduce the amount of waste in landfills and change to incineration methods to produce 100% renewable energy.
- Develop proactive procedures for food quality and safety, such as Feedback Complaints that determine corrective measures in the future.
- Develop sustainability knowledge for high potential small suppliers to grow together with the Company as well as increase the number of environmentally friendly alternative materials, especially the packaging group.

Business Highlight

The Company operates business in manufacturing and distributing products for consumption covering activities from the research and development process to creating production formulas, procurement of raw materials, product manufacturing, distribution, and transportation to customers domestically, as well as exporting products to other countries. The Company is also an importer and distributor of leading products from overseas to Thailand. The Company's products can be categorized into three main groups (1) Dairy products, (2) Food and Bakery Ingredients and other products (FBI), and (3) Biscuits.

The Company is the market leader in both butter and cheese products, with the No.1 market share of 55.0% for butter, and the No. 1 market share of 31.6% for cheese. The Company is also ranked in the top 5 market share for FBI and biscuits. The Company's brands include "Allowrie", "Imperial", "DAIRYGOLD", "Violet", "Premio", "SUNQUICK", etc.

Performance and Analysis
Business Performance Summary

In 9M/2023, the Company recorded net profit of THB 164.5 million, increased by 29.3% YoY, supported by sales increased by 23.2% YoY, with growth from every product category and every sales channel, supported by higher consumer demand, new product launches, as well as additional sales from Indoguna (Thailand) Co., Ltd. ("Indoguna" or "IDG"), a new subsidiary the Company acquired in March 2022.

Key Milestones

The Company has finished the trial run of additional capacity of IWS (Individually Wrapped Processed Cheese Slices) and started commercial production in October 2023, resulting in the increased total production capacity of IWS from 2,106 tons to 4,212 tons per annum. The Company expects to fully utilize the new production capacity in 3-5 years since the product has high consumption demand, while the Company can create demand for consumption from new products and new formats, which will further help support the Company's sales growth in the future.

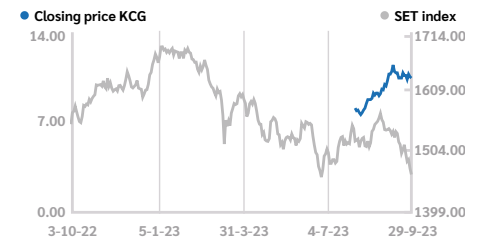
Risk Management Policy

Due to climate change factors, production supply and prices of main raw materials in the world market can be volatile. However, the Company has measures to closely control and manage risks from price fluctuations in main raw materials by having the Strategic Commodity Procurement Committee (SCPC) oversee and plan strategies for purchasing main raw materials at optimal prices during each specific period. The SCPC also closely monitors and analyzes the movement of the world commodity market situation that affects the Company's main raw materials to ensure that the Company will have sufficient main raw materials to produce products continuously and reduce the risk of fluctuations in raw material prices. In addition, the Company has a backup plan to procure alternative sources of raw material and focus on developing products with different reformulation that supports the use of alternative raw materials while maintaining the same quality of the products.

Recent Awards and Recognitions

- Accredited by Thai Labor Standard (TLS 8001:2563).
- A member of Thailand Trust Mark (T Mark) in 2023, certifying products and services from Thailand with world-class excellence including the quality production process, environmental and social responsibility, and labor standards.
- Received the GIP Plus Award in 2023 as an entrepreneur who imports products with transparency and enhances sustainability in health products.

Revenue Structure

Stock Information
SET / AGRO / FOOD


| as of 29/09/23 | KCG | FOOD | SET |
|--------------------|----------|-------|-------|
| P/E (X) | 21.15 | 22.11 | 20.33 |
| P/BV (X) | 2.32 | 1.56 | 1.44 |
| Dividend yield (%) | - | 3.27 | 3.18 |
| | 29/09/23 | - | - |
| Market Cap (MB) | 5,777.00 | N/A | N/A |
| Price (B/Share) | 10.60 | N/A | N/A |
| P/E (X) | 21.15 | N/A | N/A |
| P/BV (X) | 2.32 | N/A | N/A |

CG Report: -

Company Rating:

Major Shareholders
as of 02/08/2023

- บริษัท กิมจิว กรุ๊ป จำกัด (52.18%)
- กองทุนเปิดบัวหลวงหุ้นระยะยาว (2.36%)
- นาย วิจัย วิภาวัฒนกุล (1.94%)
- นาย ตง ชีระนุสรณ์กิจ (1.94%)
- นาย ดำรง วิภาวัฒนกุล (1.94%)
- Others (39.64%)

Company Information and Contact

🌐 <http://www.kcgcorporation.com>

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📍 Other Trading Info. : https://www.settrade.com/C04_01_stock_quote_p1.jsp?txtSymbol=KCG